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KINSEY FARMS, INC., MONTANA

Like many other resettlement projects in the west, the Kinsey Farms resettlement project, developed with funds borrowed from the Farm Security Administration, is the continuation of a local enterprise. Kinsey Farms is located in north Custer County in the valley of the Yellowstone where men have dreamed of irrigation for half a century. The river valley cuts through high, rolling plateaus slashed at intervals by deeply eroded watercourses and lifted to wind-blown buttes spotted by ragged juniper and yucca.

The area is richly historic. Providing one of the early trails through Montana, the Yellowstone Valley recorded the exploratory period with the journey of the Lewis and Clark party in 1806; the period of Indian warfare with the expeditions of Custer and Miles; the cattle era with the establishment of Miles City as the official end of the old Texas trail over which came hundreds of thousands of cattle for the open ranges of the north and the dry farm period with the homesteaders, the "splitting" of old Custer County into smaller counties and the climatic drought of the '30s.

Irrigation History

Although the land in the river valley had been settled for many years by pioneer ranchers in the area and although irrigation was first promoted in 1902, the traditions of the country actually prevented extensive development of irrigation farming. In the early days the entire eastern half of the State was cattle country. Grass was plentiful and the range was open. A good saddle and a string of cow ponies was enough equipment to handle a bunch of cattle. A plow was a curiosity and water was useful in waterholes. In the second phase of development dry-land wheat farming on newly opened public domain was cheaper and sometimes more profitable, than farming under irrigation. There was more luck and less work to the dry land type of farming. The homesteaders had much to learn of the vagaries of Montana climate - of good years and poor years, of hard winters, of scorching hot winds and sudden weather changes.

But there was a group of valley landowners who realized the gamble of dry farming and the necessity of stabilizing feed bases if the livestock business was to continue. As early as 1902 they had endeavored to develop irrigation facilities in the valley.

In that year the Buffalo Rapids Ditch and Irrigating Company was incorporated and water rights for 87.5 cubic feet of water per second were established on Yellowstone River. Priority dated back to 1896. Handicapped by lack of finances and farm families, the company succeeded only in doing some construction work and bringing water to a small acreage.

Very little was accomplished until in 1914 the Buffalo Rapids Irrigation District was formed and the interests of the former company acquired. By this time many dry land farmers had filed on homesteads on the benches and more settlers were locating on valley land. In addition to the

original acreage in the old ditch company, about 10,000 acres were included. This acreage, however, was abandoned in 1919.

A direct diversion canal was constructed from Yellowstone River and sufficient water was carried to irrigate about 4,200 acres. During the period from 1919 to 1927 some 2,000 acres were successfully irrigated.

Drought Years

In 1927 the flow of the river dropped to a point where it was impossible to divert water except in time of flood. During the ensuing seven years, drought conditions and irrigation development in the upper reaches of the valley, held the river to a low level. The company could not meet its obligations and in 1932 the Buffalo Rapids Irrigation District was declared bankrupt. The lands and property of the district were purchased by tax deed by a bondholders' committee.

It was during this same period that the dry farming era ended. Farmers who had been operating in the area for years were broke, discouraged by crop failures, and burdened by debt. Many were on relief. Some moved from the State. Others moved to different sections of the State and still others moved to the towns and villages in a vain search for work.

There was no work. Counties, unable to collect taxes, struggled with an ever-growing relief problem and towns and villages watched business houses and banks close their doors.

The Resettlement Program

Two years after failure of the Buffalo Rapids Irrigation District, the Kinsey Project was investigated by the newly formed Montana Rural Rehabilitation Corporation as to its suitability as a resettlement project for farmers from the dry land areas. About a year later the Lower Yellowstone land readjustment project was established and the submarginal land purchase program was inaugurated under the old Resettlement Administration. Purchase of the submarginal dry farm land provided the means by which many farm families disposed of their holdings, paid up back taxes and old debts. But seldom was there money left to start over in more favorable locations.

The establishment of the Fairfield Resettlement Project in the Sun River country provided new locations for a large number of eastern Montana farmers, but a resettlement Project within the area itself was another step that was needed.

Kinsey Farms Established

In 1938 the Kinsey Farms Resettlement Project was approved by former Secretary of Agriculture, Henry A. Wallace, for development by the Farm Security Administration, successor to the Resettlement Administration.

Establishment of Kinsey Farms, a project comprising the lands once owned and controlled by the Buffalo Rapids Irrigation District, was a boon

to Custer County. Resettlement there of families from 13 neighboring counties helped to replace population which had migrated.

The economic basis for Kinsey Farms lay in the fact that former dry land farmers could make a good living on developed, irrigable land which had been largely unproductive over a period of years. Submarginal land in eastern Montana had been returned to the stock operators and had provided them with much needed range. Except for a few operators of large wheat farms in the better soil areas, the only economic future for most of the farmers was in the irrigated valley.

Stabilizing the agriculture of the area brings many advantages. The drought hazard is removed from crop and feed production. The one-crop type of farming gives way to diversification, thus making the unit self-supporting. The irrigated land is more intensively farmed and the family income is raised. Greater social and economic opportunities are afforded by concentrating the population along highways, railways and power lines. Costs of public facilities are reduced by this concentration. Need for continued farm aid is eliminated. Natural resources are conserved by proper use. Human resources are conserved by reduction of rural poverty. A favorable setting is established for cooperative use of grazing lands, stock water facilities and improvement of livestock. The business life of the community is stabilized in direct proportion to its dependence upon agriculture.

Kinsey Cooperative Plan

The Kinsey Farms Project plan provided for the organization of a cooperative association, made up of resettlement clients. It provided that land be leased from the Farm Security Administration and funds borrowed from FSA for construction of an irrigation system, development of the land, construction of farm buildings and operation of the preliminary stages of the project.

Where families formerly lived in isolated areas with few or no neighbors, they now live in a closely knit community. Opportunity for neighborliness and working together is afforded. A community warehouse, located in the center of the project adjoining the Chicago, Milwaukee, St. Paul & Pacific Railroad, enables farm supplies to be purchased in carload lots, at a saving and outgoing produce to be sold in large amounts commanding a premium in markets. In the warehouse, there is equipment for feed grinding, seed cleaning and grading of produce.

W. P. A. participation in the development program was secured, thus reducing actual costs as far as the cooperative association is concerned. Under the cooperative program it is estimated that the investment portion of the loan can be paid off in 40 years with 3 percent interest, while the operating capital can be paid off in 10 years at the same interest rate.

Land in Poor Condition

When the Kinsey Farms Project was approved the land was in a poor state of cultivation and adequate water for irrigation was lacking. Less than 10 families were living on the land. Some dry farming was done, but large acreages were overgrown with thistles, and poor feed grasses. Few farms possessed buildings and what buildings existed were in bad condition.

Upon approval of appropriations for Kinsey Farms, the Farm Security Administration established offices at Miles City. Approximately 9,403 acres were purchased and divided into 80 farm units. A family selection specialist from the Farm Security Administration studied the applications for resettlement from hundreds received at the office and selections were made on the basis of character, experience, and cooperative ability.

77 Families Resettled

By the spring of 1941, 77 families had been located on Kinsey Farm units. Some farmed their units in 1940, but for the majority the 1941 season will be their first on the project. Three more farm units are to be developed and settled in 1942 with families who have already made application.

Work Accomplished Prior to Resettlement

In preparing the land for resettlement, three canals totaling 29 miles were constructed. In addition 140 miles of laterals were built to serve the farm units. Two huge electric pumping plants with four pumps in the first and three in the second were required to lift water the necessary distance from the river to the highest ground to be farmed. The first pump is installed at the mouth of Sunday Creek where a lift of $9\frac{1}{2}$ feet is necessary to irrigate 3,200 acres. About two miles down the canal the second pump lifts water 28 feet to one canal and 52 feet to the high canal. Costs are about \$1.00 per acre for power. Adding maintenance and other operating costs, it is less than \$2.50 per acre.

Four miles of power line were constructed in connection with the irrigation system. Other works included a brush dam, 1,850 feet of syphons, 25 miscellaneous irrigation structures, 1,010 minor structures, 150 bridges and culverts and various smaller items.

In the development of the land for farming, 7,200 acres were leveled. Before any families were resettled complete sets of buildings consisting of an attractive roomy house, a barn, poultry house, garage, stock shed and hog house, were constructed on each unit. Wells were drilled, water lines dug, fences built, household drainage provided and the farmsteads landscaped.

Costs for the average farm unit follow - average original cost of land, \$10.00 per acre; leveling cost, \$11.50; fences, \$276.00 per unit; drilling of flowing wells and piping to house, \$470 per unit (one well

occasionally serves two units); landscaping \$26.00 per unit; household drainage, \$15.00 per unit; house and farm buildings, \$4,200.

The cost of the entire irrigation system, including the power line, was \$128,000.

The average operating loan, which includes either a cattle or sheep set-up, is \$3,000 and constitutes the only indebtedness of the individual farmer.

Lease From Cooperative Association

The farm families lease their units from the cooperative association, of which they are members. The lease is on a crop share basis for five years with the privilege of buying at the end of that period. The rental is the cash equivalent of the customary crop share, based on current market prices. This cash rental must cover ordinary expenses such as taxes, water charges, insurance, maintenance and interest and repayment of the capital investment. Each farm must stand on its own and pay its proportionate share of operating expenses.

Management of Kinsey Farms

Management of Kinsey Farms is by a board of directors, elected by general membership. The Farm Security Administration supervised the building of the project and during the first few years will assist the families with their farm and home problems. At the present time a farm management supervisor and a home management supervisor work with the community manager. Later the Kinsey Farms board of directors is expected to employ a cooperative manager with the approval of the Farm Security Administration who will be in direct charge of the business of the association.

Farm Plans

Six different farm plans have been worked out for Kinsey Farms, any one of which is applicable to any unit on the project. Each type of plan includes the necessary subsistence, livestock, dairy cows, poultry and hogs and each plan includes some livestock for cash income. The stock will be wintered on the individual unit and run on the grazing areas in cooperative bands or herds during the summer months.

Dry beans, alfalfa seed, potatoes and flax constitute the major cash crops on the units. The typical farm unit has an alfalfa acreage, one-fourth of which has been set up for seed production. The variety of farm plans best suited to the project offers the individual the choice of a farm flock of sheep, dairy cattle, production of sheep or cattle for feeder stock and allows flexibility in the kind of cash crop grown.

Immediately north of the Kinsey Farms is a tract of about 165,000 acres of grazing land. The project has secured control of approximately 100,000

acres of this land by leasing from the Northern Pacific railway, the county and State and obtaining use of public domain lands. This grazing land provides pasture for sheep and cattle owned by the clients. While an additional 65,000 acres are owned by private individuals, only 7 operators live within the area and it may be possible to secure some of the privately owned land not controlled by these operators.

Home Plans

An important part of Farm Security cooperation with the clients on Kinsey Farms is assistance given the families in preparation of home plans and the keeping of record books. Farm families are urged to produce most of the family living on the farm. Farm gardens and home canning of vegetables, fruits and meats are encouraged.

Not the least important phase of project development is the landscaping of the farmsteads and the pride taken by the settlers in their gardens, shrubs and lawns. The majority of them come from dry land areas where it is difficult to raise even a small garden, the beautification of their homes gives them a good deal of satisfaction.

Development of Livestock Feeding

Because the Kinsey Farms are located in the fertile Yellowstone Valley where market facilities are good and because they are in the center of a large livestock producing area, the feeding and fattening of cattle and sheep will probably become the major agricultural plan on the project. This will mean the production of feed crops, which will remove them from competition with growers of strictly cash crops. The feeding of cattle on the farms will build up the fertility of the soil. The enterprise as a whole will benefit both the Kinsey Farms' families and the community of which they are part.

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